## Message Text

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**ACTION EUR-12** 

INFO OCT-01 EA-10 ISO-00 IO-10 FEA-01 AGR-10 CEA-01

CIAE-00 COME-00 DODE-00 EB-07 FRB-01 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05

CIEP-02 SS-15 STR-04 TAR-01 TRSE-00 USIA-15 PRS-01

SP-02 OMB-01 AF-06 /133 W

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R 101709Z JUN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 0658

INFO AMEMBASSY PARIS

AMEMBASSY LONDON

AMEMBASSY TOKYO

AMEMBASSY BRUSSELS

USMISSION OECD PARIS

USMISSION EC BRUSSELS

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E.O. 11652: N/A TAGS: EAID, GW

SUBJECT: MINISTER BAHR'S STATEMENT ON FRG FOREIGN

AID POLICY

REF: BONN 9180

- 1. FOLLOWING A FULL-DAY CABINET MEETING ON JUNE 9, 1975, AID MINISTER BAHR MADE THE FOLLOWING STATEMENT ON FUTURE FRG FOREIGN AID POLICY DURING A PRESS CONFERENCE ON JUNE 10.
- 2. BEGIN STATEMENT
- I. IN A SPECIAL MEETING YESTERDAY, THE FEDERAL GOVERNMENT DISCUSSED MATTERS OF DEVELOPMENT POLICY. UNCLASSIFIED

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THE GOVERNMENT THUS UNDERLINES THE IMPORTANCE OF

DEVELOPMENT POLICY AS A SIGNIFICANT FACTOR IN ITS PEACE POLICY; IN THE FUTURE, DEVELOPMENT POLICY WILL INCREASE IN IMPORTANCE WITHIN THE NORTH-SOUTH RELATIONSHIP

II. IN ITS INVENTORY OF THE RELATIONS BETWEEN THE FEDERAL REPUBLIC OF GERMANY AND THE DEVELOPING COUNTRIES, THE CABINET AGREED UNANIMOUSLY ON THE FOLLOWING.

A. THE PRINCIPLE OF "CONTINUITY AND CONCENTRATION" SET UP BY FEDERAL CHANCELLOR HELMUT SCHMIDT IN HIS POLICY DECLARATION OF 17 MAY, 1974 IS ALSO VALID FOR THE FIELD OF DEVELOPMENT POLICY.

B. THE FEDERAL REPUBLIC OF GERMANY ADVOCATES A PARTNERSHIP RELATION WITH THE COUNTRIES OF THE THIRD WORLD. IN DOING SO, IT CONTINUES TO BASE ITS POLICY ON THE "DEVELOPMENT POLICY CONCEPT", THE SECOND EXTRAPOLATION OF WHICH WILL BE PRESENTED TO THE GERMAN BUNDESTAG NEXT AUTUMN. PARTNERSHIP MEANS THAT THE FEDERAL GOVERNMENT -- APART FROM THE STILL EXISTING HUMANITARIAN NEEDS -- STRIVES FOR A RELATIONSHIP WITH THE COUNTRIES OF THE THIRD WORLD IN WHICH BOTH SIDES HAVE EQUAL RIGHTS TO ATTEND TO THEIR RESPECTIVE INTERESTS.

C. THE CABINET DECIDED UPON "25 THESES FOR THE POLICY OF COOPERATION WITH DEVELOPING COUNTRIES". THEY STATE THE DEVELOPMENT POLICY MEASURES WHICH THE FEDERAL GOVERNMENT TOOK TO REACT TO THE ECONOMIC DEVELOPMENT IN THE WORLD SINCE AUTUMN 1973 (OIL PRICE EXPLOSION). THEY INCLUDE ESPECIALLY THE FOLLOWING POINTS:

- CONCENTRATION OF BILATERAL COOPERATION ON THE GROUP OF THE 33 POOREST COUNTRIES (MOST SERIOUSLY AFFECTED COUNTRIES -- MSAC). FOR THESE COUNTRIES, ABOUT 40 PERCENT OF OUR FINANCIAL AID AND OUR TECHNICAL ASSISTANCE, RESPECTIVELY UNCLASSIFIED

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ARE EARMARKED IN OUR GENERAL PLANNING FOR 1975;

- NEW TERMS AND CONDITIONS FOR FINANCIAL AID: FROM 1976 ONWARDS, MORE ADVANCED DEVELOPING COUNTRIES WILL BE GIVEN LESS FAVORABLE CONDITIONS (4.5 PERCENT INTEREST, 20 YEARS MATURITY, 5 GRACE YEARS); ON THE OTHER HAND, THE GROUP OF COUNTRIES RECEIVING THE MOST FAVORABLE TERMS WILL BE ENLARGED TO INCLUDE THE MSA-COUNTRIES (0.75 PERCENT INTEREST, 50 YEARS MATURITY, 10 GRACE YEARS); THE OTHER DEVELOPING COUNTRIES WILL BE GIVEN STANDARD CONDITIONS AS BEFORE (2 PERCENT INTEREST, 30 YEARS MATURITY, 10 GRACE YEARS;);

- INCREASED PROMOTION OF RURAL/AGRICULTURAL

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SP-02 OMB-01 AF-06 /133 W

----- 123914

R 101709Z JUN 75 FM AMEMBASSY BONN TO SECSTATE WASHDC 0659 INFO AMEMBASSY PARIS AMEMBASSY LONDON AMEMBASSY TOKYO

AMEMBASSY BRUSSELS

USMISSION OECD PARIS

USMISSION EC BRUSSELS

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SECTORS IN THE THIRD WORLD; ALMOST EVERY THIRD MARK OUT OF OUR DEVELOPMENT POLICY BUDGET WILL THIS YEAR BE UTILIZED FOR THIS SECTOR;

- NEW FORMS OF COOPERATION; THESE WOULD INCLUDE,

AMONG OTHER THINGS, "TECHNICAL ASSISTANCE AGAINST PAYMENT" AND TRILATERAL COOPERATION;

- THE SHARE OF OUR MULTILATERAL ASSISTANCE WILL REMAIN AT APPROXIMATELY 30 PERCENT; HERE, THE FEDERAL REPUBLIC OF GERMANY RANKS AMONGST THE LEADERS IN INTERNATIONAL COMPARISON.

D. AN ANALYSIS OF THE PRESENT WORLD SITUATION UNCLASSIFIED

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MAKES IT QUITE CLEAR: DEVELOPMENT POLICY BEGINS WHERE DEVELOPMENT ASSISTANCE ENDS. TODAY, DEVELOPMENT POLICY HAS BECOME TO AN EVER-INCREASING EXTENT A MEANS TO EASE INTERNATIONAL TENSION. DEVELOPMENT POLICY IS AN IMPORTANT PART OF THE FOREIGN RELATIONS OF THE FEDERAL REPUBLIC OF GERMANY. IT SEEMS THAT THERE ARE NO LONGER ANY DIFFERENCES OF OPINION ON THIS AMONG THE VARIOUS PARTIES IN THE FEDERAL REPUBLIC.

- E. THE FEDERAL GOVERNMENT WILL PLAY AN INCREASINGLY ACTIVE ROLE IN ORDER TO CONTRIBUTE TOWARDS REDUCING DIFFERENCES OF OPINION BETWEEN INDUSTRIAL AND DEVELOPING COUNTRIES. WE ADVOCATE A RESUMPTION OF THE PARIS PREPARATORY CONFERENCE; FOR THIS PURPOSE, WE WILL GET INTO CONTACT WITH OTHER INTERESTED NATIONS. END STATEMENT
- 3. A TRANSLATION OF THE 25 THESES REFERRED TO IN THE ABOVE STATEMENT TOGETHER WITH SOME ADDITIONAL REMARKS MADE BY BAHR DURING THE PRESS CONFERENCE WILL BE TRANSMITTED BY AIRGRAM. HILLENBRAND

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## Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: POLICIES, FOREIGN RELATIONS, LESS DEVELOPED COUNTRIES, PRESS CONFERENCES, FOREIGN ASSISTANCE

Control Number: n/a Copy: SINGLE Draft Date: 10 JUN 1975 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: n/a Disposition Approved on Date: Disposition Authority: n/a Disposition Case Number: n/a

Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Decument Number: 107500000

Document Number: 1975BONN09335 Document Source: CORE Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: N/A Errors: N/A

Film Number: D750205-0966

From: BONN

Handling Restrictions: n/a

Image Path:

Legacy Key: link1975/newtext/t19750662/aaaacerx.tel Line Count: 207

Locator: TEXT ON-LINE, ON MICROFILM Office: ACTION EUR Original Classification: UNCLASSIFIED Original Handling Restrictions: n/a Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 4

Previous Channel Indicators: n/a
Previous Classification: n/a Previous Handling Restrictions: n/a Reference: 75 BONN 9180 Review Action: RELEASED, APPROVED Review Authority: greeneet

Review Comment: n/a Review Content Flags: Review Date: 20 FEB 2003

**Review Event:** 

Review Exemptions: n/a
Review History: RELEASED <20 FEB 2003 by PhilliR0>; APPROVED <04 FEB 2004 by greeneet>

**Review Markings:** 

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JÚL 2006

**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: MINISTER BAHR'S STATEMENT ON FRG FOREIGN AID POLICY

TAGS: EAID, GE, (BAHR, EGON)
To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006